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F8 ENTERPRISES (HOLDINGS) GROUP LIMITED

F 8 企 業 (控 股) 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

ANNOUNCEMENT

INSIDE INFORMATION

MEMORANDUM OF UNDERSTANDING

IN RELATION TO THE POSSIBLE ACQUISITION

This announcement is made by F8 Enterprises (Holdings) Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange (the “**Stock Exchange**”) of Hong Kong Limited (the “**GEM Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 1 December 2017 (after trading hours), a non-legally binding memorandum of understanding (the “**Memorandum of Understanding**”) was entered into between Virtue Ever Limited (永德有限公司) (“**Virtue Ever**”) and the Company, in relation to a possible acquisition (the “**Possible Acquisition**”) of certain equity interests in China Forest Food Limited (中國森林食品有限公司), a company incorporated in Hong Kong (the “**Target Company**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Virtue Ever and its ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Upon signing of the Memorandum of Understanding, the parties shall negotiate in good faith with each other in relation to the Possible Acquisition for the purpose of entering into a sale and purchase agreement in respect of the Possible Acquisition on terms mutually acceptable to Virtue Ever and the Company (the “**Formal Agreement**”) on or before 31 March 2018 (or such later date as Virtue Ever and the Company may agree in writing), subject to the Company’s satisfaction with the results of the due diligence review on the Target Company.

Pursuant to the Memorandum of Understanding:

- (a) the Company and Virtue Ever will further negotiate on the final consideration (the “**Consideration**”) with reference to the valuation of the Target Company to be conducted by an independent professional valuer in Hong Kong which shall be acceptable to the Company. The Consideration for the Possible Acquisition is intended to be satisfied by consideration shares issued by the Company;
- (b) Virtue Ever agreed and has undertaken that it shall not, during the period between the date of the Memorandum of Understanding and 31 March 2018 (the “**Exclusivity Period**”), directly or indirectly, engage in any discussion or negotiation with any third party in respect of the Possible Acquisition; and
- (c) the Company shall be entitled to conduct business, financial and legal due diligence on the Target Company and Virtue Ever shall provide the Company with such assistance as the Company may require for purpose of the due diligence.

The Memorandum of Understanding represents the preliminary mutual understanding of the parties regarding the Possible Acquisition, and is not legally binding on the parties thereto, save for customary provisions relating to the Exclusivity Period, due diligence, legal expenses, legal validity, confidentiality and governing law as stipulated under the Memorandum of Understanding.

The Memorandum of Understanding shall terminate upon the earlier of the following events:

- (i) the execution of the Formal Agreement;
- (ii) the parties to the Memorandum of Understanding fail to enter into the Formal Agreement on 31 March 2018 (or such later as the Company and Virtue Ever may agree in writing); or
- (iii) the expiry of the Exclusivity Period.

GENERAL

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) Virtue Ever is an investment holding company incorporated in the Republic of Seychelles, and (ii) Virtue Ever and its ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, (i) the Target Company is a company incorporated in Hong Kong with limited liability principally engaged in health food distribution business in PRC, (ii) the products it distributes include the “FORESTFOOD” (森林食品) branded products which have achieved Chinese Forest Food Certification (中國森林食品認證) granted by China Eco Development Association (中國林業生態發展促進會) and approved by the Ministry of Civil Affairs of the People’s Republic of China (中華人民共和國民政部), and (iii) the Target Company is wholly owned by Virtue Ever.

The Directors considered that the Possible Acquisition, if materialised, represents a good opportunity for the Company and its subsidiaries to diversify its business and to maximise the return of the Shareholders.

The Possible Acquisition as contemplated under the Memorandum of Understanding, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. The Company may make further announcements as and when appropriate and comply with other applicable requirements under the GEM Listing Rules.

The Board wishes to emphasise that no legally binding agreement in respect of the Possible Acquisition has been entered into as at the date of this announcement and the terms and transaction structure of the Possible Acquisition, which are still subject to further negotiations among the parties, have yet to be finalised. Accordingly, there is no assurance that the Possible Acquisition will materialise or eventually be consummated. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the shares and/or other securities of the Company.

By Order of the Board
F8 Enterprises (Holdings) Group Limited
Fong Chun Man
Executive Director and Chairman

Hong Kong, 1 December 2017

As at the date of this announcement, the executive Directors are Mr. Fong Chun Man, Ms. Lo Pui Yee and Mr. Chan Chi Fai; and the independent non-executive Directors are Mr. Chui Chi Yun, Robert, Mr. Kwong Yuk Lap and Mr. Wang Anyuan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at <http://www.f8.com.hk>.